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Taiwan

Grain and Feed

Results of the 7th Rice Tender & Import Update 2003

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Report Highlights:

On October 2nd, Taiwan awarded 12,000 mt out of a total of 20,000 mt in the 7th public rice tender. The tender for 10,000 mt of medium grain brown was awarded to a U.S. supplier at NT\$16,747/mt or \$493/mt, the tender for 2,000 mt of long grain brown was awarded to a Thai supplier at NT\$16,313/mt or \$480/mt, while the tender for 8,000 mt of short grain brown failed because the bid exceeded the ceiling price. The failed 8,000 mt of short grain brown tender will be rescheduled for October 14th. The upcoming 8th, or last, rice tender of 20,068 mt for the 2003 public imports is expected on October 20. To date in 2003, public and private sector imports combined, Taiwan has contracted for and/or imported 88,000 mt of rice on a brown rice basis out of a total of 144,720 mt. The United States has a 73% market share, Thailand 23%, Egypt 3%, and other countries share 1%.

Includes PSD Changes: No
Includes Trade Matrix: No
Unscheduled Report
Taipei [TW1]
[TW]

The Results of the 7th Rice Tender

Tender GF4-920264 for 8,000 mt Short Grain Brown: Only one bidder representing Australian rice participated in the short grain brown tender. The Aussies offered the bid twice, however, the tender still failed because of the bid price exceeded the ceiling price. The tender GF4-920264 will be rescheduled for the week of October 13th, expected to occur on October 14.

Tender GF4-920265 for 10,000 mt of Medium Grain Brown: Five bidders, all representing U.S. suppliers, competed for the tender. The tender was awarded at NT\$16,747/mt or \$495/mt resulting from a competitive bidding process. U.S. suppliers have captured all of the first seven tenders for medium grain brown, totalling 60,000 mt.

(Current exchange rate is U.S.\$1=NT\$33.81 on October 2, 2003.)

Tender GF4-920266 for 2,000 mt of Long Grain Brown: Five bidders, all representing Thai suppliers, competed for the tender. The tender was awarded at NT\$16,313/mt or \$482/mt. Long grain was \$13/mt cheaper than the medium grain brown bid price. Thailand supplied all first seven tenders for long grain brown, amounted to 4,000 mt.

Import Update

Combined public and private sector imports, to date; Taiwan has contracted and/or imported 88,000 mt of rice on a brown basis. The United States obtained a 73% market share, Thailand 23%, Egypt 3%, and other countries shared 1%.

Update on Rice tenders for the 2003 Public Sector Imports: As of October 2, Taiwan had tendered and contracted 66,000 mt of rice, with a 70% of completion of the rice quota for public sector imports in 2003. The United States supplied 91% for medium grain brown, followed by Thailand supplied 6% for long grain brown and Egypt 3% for short grain brown (see attached Tender Results Table). Taiwan plans to tender the last 20,068 mt of rice on October 20. The tender will be announced by October 7 with the requirement of a 14-day tender waiting period according to Taiwan Government Procurement Law.

As of September 26, the 2003 Private Sector Import Quota Fill Rate was 43%: According to preliminary Taiwan import records, as of September 26, a total of 22,000 mt or 43% of the 2003 rice quotas for private sector imports have been filled. Thailand had a lion's share of 73% or 16,000 mt, the United States 19% or 4,150 mt, Egypt 3% or 700 mt, Burma 2%, India 1%, other four countries, Australia, Italy, Japan, and the Philippines, combined 2%. Thai long grain took market advantage over U.S. medium grain due to cheaper price in the current low price rice market on Taiwan. The average retail price for average quality grade was NT\$29.27/kg in August 2003, an 11% drop or NT\$3.65/kg lower than that of the same period in a year earlier (*source: Taiwan Agricultural Prices & Costs Monthly by the Council of Agriculture*). All unfilled quotas were extended for imports arrival by December 31, 2003, based on valid contracts presented to Central Trust of China.

Concerning the remaining 28,652 tons of private sector quota, importers face the prospect of either forfeiting the amount they bid for the quota rights (minimum of NT\$6,920/mt or over \$200/mt), having their profits squeezed by importing high quality U.S. medium grain milled rice, importing Thai or other origin rice of various qualities. It appears likely that importers will choose to import cheaper long grain rice, rather than lose their initial investment in quota rights.

TABLE - Results and Schedules for the 2003 Public Rice Tenders (brown basis)

Tender Number	Quantity/Type/Price	Date	Awarded by Origin
1 st (GF4-920042)	5,000 mt of medium brown at NT\$13,815/mt (\$397/mt)	March 18	U.S.
2 nd + 3 rd (GF4-920147 & GF4-920148) Note: The 2 nd and 3 rd tenders combined	14,000 mt of medium brown at NT\$14,633/mt (\$421/mt) 2,000 mt of short brown at NT\$13,959/mt (\$402/mt)	May 30	Medium Grain-U.S. Short Grain-Egypt
4 th (GF4-920185-1)	10,000 mt of medium brown at NT\$15,510/mt (\$450/mt)	July 18	U.S.
5 th (GF4-920209)	10,000 mt of medium brown at NT\$15,801/mt (\$459/mt)	July 25	U.S.
6 th (GF4-920241 & GF4-920242)	11,000 mt of medium brown at NT\$16,669/mt (\$487/mt) 2,000 mt of long brown at NT\$16,616/mt (\$485/mt)	August 26	Medium Grain-U.S. Long Grain-Thailand
7 th (GF4-920264, GF4-920265, & GF4-920266)	8,000 mt of short brown failed Re-tender is expected on October 14 10,000 mt of medium brown at NT\$16,747/mt (\$492/mt) 2,000 mt of long brown at NT\$16,313/mt (\$482/mt)	October 2	Medium Grain-U.S. Long Grain-Thailand
8 th	20,000 mt (to be divided into different types)	October 20	
2003 Total Quota	94,068 mt		

Note: The rice tender document number has a format for the year 2003 as GF4-92xxxx. For re-tender document, the document number will attach a dash with additional one digital, GF4-92xxxx-x. For example, GF4-920185-1 stands for the first time re-tendering of the 4th tender. If the 4th tender failed twice, the tender document number for the second time re-tendering of the 4th tender will be GF4-920185-2.